

SECTION XXI.

PRIVATE FINANCE.

§ 1. Currency.

1. **The Three Australian Mints.**—Soon after the discovery of gold in Australia steps were taken for the establishment of a branch of the Royal Mint in Sydney. The formal opening took place on the 14th May, 1855, the mint being located in the southern part of the building once known as the "rum hospital," where it has remained up to the present. It is now proposed, however, to erect more suitable buildings for its accommodation in some other part of the city. The Melbourne branch of the Royal Mint was opened on the 12th June, 1872, and the Perth branch on the 20th June, 1899. The States of New South Wales, Victoria, and Western Australia provide an annual endowment, in return for which the mint receipts are paid into the respective State Treasuries, and it may be said that, apart from expenditure on buildings, new machinery, etc., the amounts paid into the Treasuries fairly balance the mint annuities.

2. **Receipts and Issues in 1907.**—(i.) *Assay of Deposits Received.* The number of deposits received during 1907 at the Sydney Mint was 1717, of a gross weight of 760,482 ozs.; at the Melbourne Mint, 4467, of a gross weight of 938,169 ozs.; and at the Perth Mint, 6588, of a gross weight of 1,507,878 ozs.¹ The average composition of these deposits in Sydney was, gold 888.9, silver 74.7, base 36.4 in every 1000 parts; Melbourne, gold 914.8, silver 46.7, base 38.5 in every 1000 parts; and Perth, gold 845.1, silver 103.1, base 51.8 in every 1000 parts. As many parcels have, however, undergone some sort of refining process before being received at the mint, the average assay for gold shows higher in these figures than for gold as it naturally occurs.

(ii.) *Receipts.* Practically all the gold coined at the Australian mints is the produce of either the Commonwealth or of the Dominion of New Zealand. The Sydney Mint, however, receives small parcels from Papua, and some gold produced in Madagascar has been sent to Perth for coinage. The following table shews the origin of the gold received at the three mints during 1907:—

ORIGIN OF GOLD RECEIVED DURING 1907.

Origin of Gold.	Sydney Mint.	Melbourne Mint.	Perth Mint.
	ozs.	ozs.	ozs.
New South Wales	179,489.32	4,022.41	...
Victoria	15.52	754,809.80	1.00
Queensland... ..	326,839.74	212.21	...
South Australia	65.54	14,808.10	1.00
Western Australia	1,722.14	20,771.97	1,507,249.00
Tasmania	1,299.65	30,425.83	...
New Zealand	250,831.43	103,764.04	...
Other countries, origin not stated, and light gold coin	218.32	9,354.96	627.00
Total	760,481.66	938,169.32	1,507,878.00

It will be seen that practically all gold produced in New South Wales and Queensland, about five-sevenths of that produced in New Zealand, and a small part of the Tasmanian produce, found its way to the Sydney Mint, while the Melbourne Mint received all Victorian and South Australian gold, together with almost the whole of the Tasmanian and two-sevenths of the New Zealand production, and the Perth Mint coined practically all Western Australian gold with the exception of a small portion sent to Sydney and Melbourne.

(iii.) *Issues.* The Australian mints, besides issuing gold coin in the shape of sovereigns and half-sovereigns, also issue gold bullion, partly for the use of local manufacturers (jewellers and dentists), and partly for export, India taking annually a considerable quantity of gold cast into 10-oz. bars. The issues during 1907 are shewn in the table below:—

ISSUES OF GOLD DURING 1907.

Mint.	Coin.			Bullion.	Total.
	Sovereigns.	Half-sovereigns.	Total.		
	£	£	£	£	£
Sydney ...	2,539,000	...	2,539,000	337,421	2,876,421
Melbourne ...	3,332,691	...	3,332,691	314,022	3,646,713
Perth ...	4,972,289	...	4,972,289	436,479	5,408,768
Total ...	10,843,980	...	10,843,980	1,087,922	11,931,902

In addition to the issue of gold the Sydney and Melbourne Mints are also charged with the issue of silver and bronze coin struck in London. The total value of silver coin issued in 1907 was £286,200, viz.—£98,800 in half-crowns, £80,200 in florins, £56,000 in shillings, £28,400 in sixpences, and £22,800 in threepences. The value of bronze coin issued was £16,955, viz., £12,400 in pence and £4555 in halfpence.

(iv.) *Withdrawals of Worn Coin.* The mints receive light and worn coin for recoinage, gold being coined locally, while silver is forwarded to London. The value of gold coin so received in 1907 amounted to only £742, viz.—Sydney, £443; Melbourne, £239; and Perth, £60. The value of worn silver coins received during 1907 was £12,550, viz.—Sydney, £9331; Melbourne, £3219.

3. Total Receipts and Issues. (i.) *Receipts.* The total quantities of gold received at the three mints since their establishment are stated in the gross as follows:—Sydney, 32,387,221 ozs.; Melbourne, 30,954,107 ozs.; and Perth, 10,299,426 ozs. As the mints pay for standard gold (22 carats) at the rate of £3 17s. 10½d. per oz., which corresponds to a value of £4 4s. 11½d. per oz. fine (24 carats), it is possible to arrive at the number of fine ounces received from the amounts paid for the gold received. These amounts were:—Sydney, £119,644,987; Melbourne, £121,998,191; Perth, £36,544,784; corresponding to—Sydney, 28,191,964 ozs. fine; Melbourne, 28,746,450 ozs. fine; and Perth, 8,611,052 ozs. fine. Silver found in assaying is paid for if it exceeds 8 per cent.; in Sydney it has been paid for at the rate of one shilling and sixpence per oz. fine since 12th May, 1902; in Melbourne the price is fixed monthly by the Deputy-master of the Mint; and in the Perth accounts it has been taken at one shilling per oz.

(ii.) *Issues.* The total values of gold coin and bullion issued by the three mints were as shewn in the table on page 855. It may be said that about one-half of the total gold production of Australasia has passed through the three Australian mints, the production of the Commonwealth States to the end of 1907 being valued at £488,428,156, and that of New Zealand at £71,528,978, or a total of £559,957,134:—

TOTAL ISSUES OF GOLD.

Mint.	Coin.			Bullion.	Total.
	Sovereigns.	Half-sovereigns.	Total.		
	£	£	£	£	£
Sydney ...	110,402,500	3,179,000	113,581,500	5,846,811	119,428,311
Melbourne ...	112,147,399	588,384	112,735,783	9,259,765	121,995,548
Perth ...	33,615,374	89,703	33,705,077	2,830,208	36,535,285
Total ...	256,165,273	3,857,087	260,022,360	17,936,784	277,959,144

The total issues of silver coins to the end of 1907 were £2,248,200, viz.:—Crowns, £3500; double florins, £4585; half-crowns, £690,200; florins, £488,815; shillings, £566,600; sixpences, £226,420; and threepences, £268,080.

Bronze coins to the value of £142,505 were issued, viz.:—Pence, £99,440; halfpence, £42,965; and farthings, £100.

(iii.) *Withdrawals of Worn Coin.* Complete figures as to the withdrawal of gold coin can only be given for the Sydney Mint, where they amounted to £828,838; at the Melbourne Mint the coins withdrawn since 1890 were worth £44,601, and no figures are given for Perth.

Withdrawals of worn silver coin amounted to £246,101 in Sydney, and to £324,994 in Melbourne.

4. **Standard Weight and Fineness of Coinage.**—The coinage of the Commonwealth is the same as that of the United Kingdom, and the same provisions as to legal tender hold good, viz., while gold coins are legal tender to any amount, silver coins are only so for an amount not exceeding forty shillings, and bronze coins up to one shilling. As will be seen from the table below, the standard weights of the sovereign and half-sovereign are respectively 123.27447 grains and 61.63723 grains, but these coins will pass current if they do not fall below 122.5 grains and 61.125 grains respectively.

STANDARD WEIGHT AND FINENESS.

Denomination.	Standard Weight.	Standard Fineness.
GOLD—	Grains.	
Sovereign ...	123.27447	Eleven-twelfths fine gold, viz.:— Gold ... 0.91667 } 1.00000 Alloy ... 0.08333 }
Half-sovereign ...	61.63723	
SILVER—		
Crown ...	436.36363	Thirty-seven-fortieths fine silver, viz.:— Silver ... 0.925 } 1.000 Alloy ... 0.075 }
Double florin ...	349.09090	
Half-crown ...	218.18181	
Florin ...	174.54545	
Shilling ...	87.27272	
Sixpence ...	43.63636	
Threepence ...	21.81818	
BRONZE—		
Penny ...	145.83333	Mixed metal, viz.:— Copper ... 0.95 } 1.00 Tin ... 0.04 Zinc ... 0.01 }
Half-penny ...	87.50000	
Farthing ...	43.75000	

5. **Prices of Silver and Australian Coinage.**—(i.) *Prices of Silver.* The value of silver has greatly decreased since its demonetisation and restricted coinage in almost the whole of Europe. Its average price in the London market is shewn in the subjoined table:—

AVERAGE PRICE OF SILVER IN LONDON MARKET, 1873 to 1907.

Year.	Price per Standard Oz.	Year.	Price per Standard Oz.	Year.	Price per Standard Oz.
	d.		d.		d.
1873 ...	59.2500	1885 ...	48.6250	1897 ...	27.5625
1874 ...	58.3125	1886 ...	45.3750	1893 ...	26.9375
1875 ...	56.8125	1887 ...	44.6250	1899 ...	27.5000
1876 ...	53.0000	1888 ...	42.8750	1900 ...	28.3125
1877 ...	54.7500	1889 ...	42.6875	1901 ...	27.2500
1878 ...	52.5625	1890 ...	47.7500	1902 ...	24.1250
1879 ...	51.1875	1891 ...	45.0625	1903 ...	24.7500
1880 ...	52.2500	1892 ...	39.8125	1904 ...	26.3750
1881 ...	51.7500	1893 ...	35.6250	1905 ...	27.8125
1882 ...	51.8125	1894 ...	29.0000	1906 ...	30.8750
1883 ...	50.5625	1895 ...	29.8750	1907 ...	30.1875
1884 ...	50.6875	1896 ...	30.7500		

The monthly fluctuations during the year 1907 were as follows :—

AVERAGE PRICE OF SILVER IN LONDON MARKET, 1907.

Month.	Price per Standard Oz.	Month.	Price per Standard Oz.	Month.	Price per Standard Oz.
	d.		d.		d.
January ...	31.7500	May ...	30.4375	September ...	31.3125
February ...	31.8125	June ...	30.8750	October ...	28.8125
March ...	31.3125	July ...	31.3125	November ...	27.1250
April ...	30.2500	August ...	31.6250	December ...	25.3750

(ii.) *Profits on Coinage of Silver.* As sixty-six shillings are coined out of one pound troy of standard silver, the silver required to produce £3 6s. of coin was only worth £1 10s. 2½d. during 1907; the difference of £1 15s. 9¾d. represents, therefore, the gross profit or seigniorage made on the coinage of every £3 6s. This gross profit is equivalent to over 54 per cent., but from it the expenses of coining (including interest on cost of machinery) and of withdrawals of worn coin must be deducted. Still, given a large annual demand for new silver coin, even the net profit amounts to a considerable sum. Negotiations, therefore, took place for a number of years between the Imperial authorities and the Governments of New South Wales and Victoria, which in 1898 resulted in permission being granted to the two Governments named to coin silver and bronze coin at the Sydney and Melbourne Mints for circulation in Australia. No steps were, however, taken in the matter, and as section 51 of the Commonwealth Constitution makes legislation concerning "currency, coinage, and legal tender" a federal matter, the question remained in abeyance until the latter part of 1908, when the Commonwealth Treasurer announced his intention of initiating the coinage of silver in the near future.

6. Decimal Coinage.—Considered apart from the cognate subject of decimal weights and measures, the introduction of a decimal coinage would present no great difficulties. Of the various systems that have been advocated from time to time, the one that appears to meet with most favour and presents the maximum advantage, would retain the sovereign as the unit, but would divide it into a thousand parts instead of the present 960 farthings. In such a system there would be the following coins (adopting the name of "cent" for the hundredth part of the sovereign):—Sovereign=100c. (gold); half-sovereign=50c. (gold), 20c.=4s. (gold or silver); 10c.=2s. (silver); 5c.=1s. (silver); 2c.=4.8d. (silver); 1c.=2.4d. (silver or nickel); 0.5c. or 5 mils.=1.2d. (nickel or bronze); 0.2c. or 2 mils.=0.48d. (nickel or bronze); 0.1c. or 1 mil.=0.24d. (bronze). As only the subdivisions of the present shilling would be altered, such a system could be introduced with less disturbing effects on the arrangements of trade than other proposals, e.g., one which would make the present farthing its unit.

7. Circulation of Specie.—Many conflicting estimates have from time to time been made as to the amount of coin in private hands. In 1892 the general manager of one

of the Sydney banks estimated the coin in private hands in New South Wales at only £725,000, while the estimate of the Deputy-master of the Mint for the same period was £4,416,000, the truth lying, no doubt, somewhere between those two estimates. In 1906 the Deputy-master of the Perth Mint conducted an enquiry with the object of obtaining information on the condition of the currency in Australia. His estimate was—sovereigns, £2,500,000; half-sovereigns, £500,000; silver and bronze coin, £1,200,000. This estimate appears, however, very low, amounting only to a little over £1 per head of population. The question will shortly have to be considered whether it would not be possible to obtain accurate information by means of a question on the census schedule to be used in 1911. The coin in private hands amounts, however, only to a comparatively small part of the total coin in the country, the value of coin held by the banks during the quarter ended 30th June, 1908, being £23,578,293, of which amount, according to returns embracing more than three-fourths of the banks, it may be said that £22,349,000 was held in gold, £1,192,000 in silver, and £37,000 in bronze. To the active currency must be added the notes in circulation, which for the same period amounted to £3,536,227, exclusive of Queensland Treasury notes, £1,530,982, viz., £812,773 held by banks, and £718,209 in circulation.

8. **Imports and Exports of Coin and Bullion.**—A table is appended shewing the imports into, and exports from, the Commonwealth of coin and bullion during the year 1907, distinguishing the countries of import and export:—

IMPORTS AND EXPORTS OF COIN AND BULLION, 1907.

Countries from which Imported and to which Exported.	Coin.				Bullion.			Total Coin and Bullion.
	Gold.	Silver.	Bronze.	Total Coin.	Gold. ¹	Silver. ²	Total Bullion.	
IMPORTS.	£	£	£	£	£	£	£	£
United Kingdom ...	10	375,684	20,961	396,655	733	208	941	397,596
Canada ...	350	...	...	350	...	...	...	350
New Zealand ...	4,305	11	...	4,316	1,379,834	290	1,380,124	1,384,440
Papua ...	...	...	...	...	46,029	...	46,029	46,029
Hawaii ...	1,490	...	...	1,490	...	...	...	1,490
New Caledonia ...	230	95	...	375	...	...	...	375
New Hebrides ...	450	...	...	450	62	...	62	512
South Sea Islands ...	3,082	147	10	3,239	...	...	...	3,239
United States ...	...	...	...	...	169	...	169	169
Total Imports ...	9,967	375,937	20,971	406,875	1,426,927	498	1,427,325	1,834,200
EXPORTS.								
United Kingdom ...	1,476,669	...	...	1,476,669	2,706,594	600,723	3,307,317	4,783,986
Cape of Good Hope ...	50,000	...	...	50,000	...	...	...	50,000
Ceylon ...	3,205,075	...	...	3,205,075	166,000	469,200	635,200	3,840,275
Fanning Island ...	600	...	...	600	...	...	...	600
Fiji ...	36,000	16,000	...	52,000	...	...	...	52,000
Hong Kong ...	397,522	...	...	397,522	2,684	...	2,684	400,206
India ...	805,353	...	...	805,353	919,256	72,460	991,716	1,797,069
Natal ...	100,000	...	...	100,000	...	...	...	100,000
New Zealand ...	757,000	2,600	2,290	761,890	...	1,386	1,386	763,276
Norfolk Island ...	300	...	...	300	...	...	...	300
Straits Settlements ...	10,000	...	...	10,000	...	...	...	10,000
Austria-Hungary ...	1,007	...	...	1,007	...	...	...	1,007
Belgium ...	...	...	...	...	385	4,618	4,953	4,953
China ...	11,940	...	...	11,940	...	...	...	11,940
France ...	1,275	435	...	1,710	...	...	...	1,710
Germany ...	29	29	1	59	1,484	5,390	6,874	6,924
Japan ...	...	...	...	...	...	245	245	245
Neu-Pommern ...	100	...	...	100	...	...	...	100
New Caledonia ...	2,520	130	...	2,650	...	...	...	2,650
New Hebrides ...	419	1,277	1	1,697	...	...	...	1,697
South Sea Islands ...	2,038	5,190	...	7,224	...	...	...	7,234
United States... ..	...	...	...	...	239,714	39,134	278,848	278,848
Total Exports ...	6,857,838³	25,667⁴	2,292⁴	6,885,797	4,036,067⁵	1,193,156⁶	5,229,223	12,115,020

1. Bullion and gold contained in matte. 2. Bullion and silver contained in matte.
3. Approximately £5,411,572 Australian produce and £1,446,266 other produce. The net value of gold bullion and gold ore of foreign origin introduced (by transfer or importation) into the minting States of the Commonwealth, with the addition of the imports of foreign coin, has been taken to represent the value of the exports of coin of other than Australian origin. 4. Other produce. 5. Australian produce. 6. Australian produce, £1,191,907; other produce, £1249.

§ 2. Banking.

1. Banking Facilities.—(i.) *Head Offices of Banks.* Of the twenty-one banks trading in the Commonwealth, four have their head offices in London, viz., the Bank of Australasia; the Union Bank of Australia Limited; the English, Scottish, and Australian Bank Limited; and the London Bank of Australia Limited. The head offices of the following four banks are in Sydney—The Bank of New South Wales; the Commercial Banking Company of Sydney Limited; the Australian Joint Stock Bank Limited; and the City Bank of Sydney. Five banks have their head offices in Melbourne, viz., the National Bank of Australasia Limited; the Commercial Bank of Australia Limited; the Bank of Victoria Limited; the Colonial Bank of Australasia Limited; and the Royal Bank of Australia Limited. Brisbane is the headquarters of three banks, viz., the Queensland National Bank Limited; the Royal Bank of Queensland Limited; and the Bank of North Queensland Limited. Only one bank has at present its head office in Adelaide, viz., the Bank of Adelaide; and one in Perth, viz., the Western Australian Bank. Of the two Tasmanian banks the Commercial Bank of Tasmania Limited has its head office in Hobart, and the National Bank of Tasmania Limited in Launceston. The remaining bank, the Bank of New Zealand, has its headquarters in Wellington. It is proposed, in the few instances where the banks are referred to by name, to arrange them in the order just given.

(ii.) *Establishments in Different States.* Only three of the banks have establishments in all six States of the Commonwealth, the total number of their branches and sub-branches being 386. One bank with a total of 193 branches is trading in five States, and two with 267 branches are established in four States. One bank has fifty-six branches distributed over three States, while five banks with a total of 327 branches confine their operations to two States. The remaining nine banks, with 373 branches, trade only within the State where their head offices are located. Of this total of 1602 banking establishments, New South Wales contains 504; Victoria, 552; Queensland, 211; South Australia, 163; Western Australia, 122; and Tasmania, 50. In addition to the branches in the Commonwealth, four of the banks have a total of 208 establishments in New Zealand, while fourteen have each an office in London. Only two of the banks are established in the Pacific Islands, with a total of three branches. The total for the Commonwealth amounts to about one bank to every 2650 inhabitants, which does not appear out of proportion when the general sparseness of the Australian population is taken into consideration. There is, however, a difference between the various States which is not easy of explanation, but which seems to be due chiefly to the desire of a few of the banks to open up branches wherever there is a prospect of a small amount of business, while other banks are more conservative in this respect. Thus the proportion in New South Wales is about 3150 inhabitants per bank, while in Victoria it is only 2275. In Western Australia, where the proportion is lowest and amounts to one in 2175, there are, of course, exceptional circumstances which explain this apparent disproportion.

2. Banking Legislation.—Under section 51 of the Commonwealth Constitution Act the Commonwealth Parliament has power to legislate with respect to "Banking, other than State banking; also State banking extending beyond the limits of the State concerned, the incorporation of banks, and the issue of paper money." Up to the present no Commonwealth banking legislation has, however, been passed, and the various State laws under which the banks transact business are in most cases so old as to be quite unsuitable to modern methods of banking. Under the existing laws banks are required to furnish quarterly statements of their average assets and liabilities, but these statements are not equally complete in all the States. Until the close of 1907 these quarterly statements, together with the periodical balance-sheets of the banks (generally half-yearly, but in a few cases yearly), were the only information available in regard to banking business. During the year 1908 the Commonwealth Statistician, under the provisions of the Census and Statistics Act, asked the banks for quarterly returns giving slightly more detailed information than had previously been obtained. As, however, a few of the banks found it

impossible to give all the particulars required during the year 1908, while promising to do so in 1909, the returns for the former year have been practically left in the same condition as those for 1907 and previous years.

The Acts under which the various banks are incorporated are numerous, but it may be stated that while most of the older banks were incorporated by special Acts, *e.g.*, the Bank of New South Wales, by Act of Council 1817; the Bank of Australasia, by Royal Charter; the Bank of Adelaide, by Act of the South Australian Parliament; and the Bank of New Zealand, by Act of the General Assembly of New Zealand; the newer banks are generally registered under a "Companies Act," or some equivalent Act. This is also the case with those banks which, after the crisis of 1893, were reconstructed.

3. Capital Resources of Banks.—The paid-up capital of the twenty-one banks, together with their reserve funds, and the rate per cent. and the amount of their last dividends, is shewn in the table hereunder. The information relates to the balance-sheet last preceding the 30th June, 1908. In regard to the reserve funds it must be stated that in the case of some of the banks these are invested in Government securities, while in other cases they are used in the ordinary business of the banks, and in a few instances they are partly invested and partly used in business:—

CAPITAL RESOURCES OF BANKS.

Bank.	Paid-up Capital.	Rate per cent. per annum of last Dividend and Bonus.	Amou't of last ½-yrly. Dividend & Bonus.	Reserve Fund.
	£	%	£	£
Bank of Australasia	1,600,000	12 & 8/- Bonus p.s.	112,000	1,486,070
Union Bank of Australia Limited	1,500,000	14	105,000	1,235,870
English, Scottish, and Australian Bank Limited	539,438	5	26,972 ⁷	186,169
London Bank of Australia Limited	548,015 ¹	{ 5½ Preferen. 3½ Ordinary }	22,332 ⁷	46,527
Bank of New South Wales	2,500,000	10	124,399	1,560,000
Commercial Banking Company of Sydney Limited	1,250,000	10	62,420	1,277,930
Australian Joint Stock Bank Limited	154,570	...	...	21,594
City Bank of Sydney	400,000	3	6,000	12,324
National Bank of Australasia Limited	1,498,220 ²	5	37,456	174,698
Commercial Bank of Australia Limited	2,212,869 ³	{ 3 Preferen. ... Ordinary }	31,760	8,406
Bank of Victoria Limited	1,478,010 ⁴	5	36,950	205,461
Colonial Bank of Australasia Limited	439,281	6	13,178	125,885
Royal Bank of Australia Limited	200,000	7	7,000	91,458
Queensland National Bank Limited	413,308 ⁵	3	12,000	...
Royal Bank of Queensland Limited	490,989	4½	5,415 ⁵	71,206
Bank of North Queensland Limited	100,000	4	2,000	21,678
Bank of Adelaide	400,000	9	18,000	344,014
Western Australian Bank	175,000	20	17,006	449,440
Commercial Bank of Tasmania Limited	175,000	12	10,500	182,401
National Bank of Tasmania Limited	152,040	7	5,321	43,379
Bank of New Zealand	2,000,000 ⁶	{ 7½ Preferen. 10 Ordinary 4 Gntd. stk. }	127,500 ⁷	504,098
Total	18,226,740	...	783,209	8,048,608

1. £171,930 preferential, £376,085 ordinary. 2. £305,730 preferential, £1,192,440 ordinary. 3. £2,117,350 preferential, £95,519 ordinary. 4. £416,760 preferential, £1,061,250 ordinary. 5. After deducting £46,865 paid on forfeited shares. 6. £500,000 preference shares issued to the Crown under the "Bank of New Zealand Act 1903." £500,000 ordinary shares, and £1,000,000 guaranteed stock. 7. For 12 months. 8. For 3 months.

4. Liabilities and Assets of Banks.—(i.) *Liabilities of Banks for Quarter ended 30th June, 1908.* As already stated, the banks transacting business in any State are obliged, under the existing State laws, to furnish a quarterly statement of their assets and liabilities, which contains the averages of the weekly statements prepared by the bank for that purpose, and have, during the year 1908, furnished quarterly statements to the Commonwealth Statistician. As all other financial returns in this work embrace, so far as possible, a period ended 30th June, 1908, it seems advisable to give the banking figures for the quarter ended on that date, and, where they are shewn for a series of years, similarly to use the figures for the June quarter of each year. The liabilities are liabilities to the general public, and are exclusive of the banks' liabilities to their shareholders, which are shewn in the preceding table:—

**AVERAGE LIABILITIES OF BANKS IN EACH STATE OF THE COMMONWEALTH FOR
THE QUARTER ENDED 30th JUNE, 1908.**

State.	Notes in Circulation, not bearing interest.	Bills in Circulation, not bearing interest.	Balances Due to other Banks.	Deposits.			Total Liabilities.
				Not Bearing Interest.	Bearing Interest.	Total.	
	£	£	£	£	£	£	£
New South Wales	1,713,314	283,573	357,316	18,847,680	24,769,304	43,616,984	45,971,187
Victoria	858,781	202,099	165,678	13,274,150	24,264,572	37,538,722	38,765,260
Queensland	...	158,246	97,561	5,797,531	9,530,525	15,328,056	15,583,863
South Australia	488,570	11,051	48,651	3,502,187	5,142,159	8,644,346	9,192,618
West. Australia	310,226	23,904	127,241	2,913,527	1,981,112	4,894,639	5,356,010
Tasmania	165,356	29,030	...	1,680,373	1,991,263	3,671,641	3,868,027
Commonwealth	3,536,227	707,903	706,447	46,015,448	67,678,940	113,694,388	118,734,965

(ii.) *Assets of Banks for Quarter ended 30th June, 1908.* The average assets of the banks are shewn in the following table :—

**AVERAGE ASSETS OF BANKS IN EACH STATE OF THE COMMONWEALTH FOR THE
QUARTER ENDED 30th JUNE, 1908.**

State.	Coined Gold and Silver and and other Metals.	Gold and Silver in Bullion or Bars.	Government and Municipal Securities.	Landed and House Property.	Notes and Bills of other Banks.	Balances Due from other Banks.	Discounts, Overdrafts, and all other Assets.	Total Assets.
	£	£	£	£	£	£	£	£
N.S.W.	9,617,962	190,432	2,547,624	1,783,695	348,515	487,604	35,401,265	50,377,097
Victoria	7,304,827	422,614	157,966	1,808,250	301,939	255,973	33,096,814	43,348,363
Q'land	2,231,241	150,856	272,071	638,745	890,352	157,059	14,973,466	19,373,890
S. Aust.	1,811,631	9,367	121,002	354,747	95,047	114,318	5,684,573	8,190,685
W. Aust.	1,873,258	579,782	140,252	195,052	45,478	65,233	5,440,749	9,339,804
Tas. ...	739,374	116	215,800	97,723	11,071	51,425	2,792,437	3,907,946
Cwlth.	23,578,293	1,353,267	3,454,715	4,938,212	1,692,402	1,131,612	97,389,304	133,537,805

(iii.) *Liabilities of Banks for June Quarter, 1901 to 1908.* In the subjoined table, which shews the average liabilities of the banks for the quarters ended 30th June, 1901 to 1908, for the Commonwealth as a whole, it will be seen that the growth in total liabilities is almost entirely due to an increase in the deposits, and that deposits not bearing interest and deposits bearing interest have shared in that increase very equally :—

**AVERAGE LIABILITIES OF BANKS IN THE COMMONWEALTH FOR THE QUARTER
ENDED 30th JUNE, IN THE YEARS 1901 to 1908.**

Year.	Notes in Circulation not Bearing Interest.	Bills in Circulation not Bearing Interest.	Balances due to other Banks.	Deposits.			Total Liabilities.
				Not Bearing Interest.	Bearing Interest.	Total.	
	£	£	£	£	£	£	£
1901 ...	3,399,462	525,958	376,972	37,457,960	54,029,188	91,487,148	95,789,540
1902 ...	3,305,135	518,504	459,255	37,727,861	55,708,373	93,436,234	97,719,128
1903 ...	3,315,747	539,132	407,947	37,056,187	54,701,047	91,757,234	96,020,060
1904 ...	3,133,268	521,267	290,411	35,630,255	55,917,848	91,548,103	95,493,079
1905 ...	3,036,879	553,256	446,555	36,847,610	61,295,775	98,143,385	102,182,075
1906 ...	3,244,256	568,670	577,094	41,036,116	65,479,150	106,515,266	110,905,288
1907 ...	3,563,181	801,878	444,460	46,781,234	65,916,735	112,697,969	117,507,488
1908 ...	3,536,227	707,903	706,447	46,015,448	67,678,940	113,694,388	118,734,965

(iv.) *Asse of Banks for June Quarter, 1901 to 1908.* A similar table shewing the average assets of the banks for the June quarters of each of the years 1901 to 1908 is shewn below. Bullion, in the case of the Tasmanian banks, is included with coin in the years 1901 to 1907:—

AVERAGE ASSETS OF BANKS IN THE COMMONWEALTH FOR THE QUARTER ENDED 30th JUNE IN THE YEARS 1901 to 1908.

Year.	Coined Gold and Silver and other Metals.	Gold and Silver in Bullion or Bars.	Landed and other Property.	Notes and Bills of other Banks.	Balances Due from other Banks.	All other Debts Due to the Banks.	Total Assets.
	£	£	£	£	£	£	£
1901	18,581,224	1,199,304	6,145,742	695,676	1,215,701	93,710,166	121,547,813
1902	19,744,914	1,330,304	5,337,277	656,302	1,152,534	94,015,098	122,236,429
1903	18,513,784	1,507,825	5,289,440	741,977	1,115,369	93,301,160	120,469,555
1904	17,910,771	1,447,698	5,245,312	692,688	781,368	87,705,222	113,783,059
1905	19,988,465	1,501,890	5,212,799	705,089	809,929	85,766,259	113,984,431
1906	21,268,679	1,412,763	5,160,875	802,225	1,234,921	87,889,121	117,768,584
1907	22,420,395	1,291,033	5,028,379	840,217	1,170,276	94,990,435	125,740,735
1908	23,578,293	1,353,267	4,938,212	1,692,402	1,131,612	100,844,019*	133,537,805

* Including £3,454,715 Government and municipal securities.

The figures do not call for much comment. As the table shews, the increase in the total amount of assets is mainly due to an increase in the amount of specie held by the banks against liabilities at call and advances.

5. Percentage of Coin and Bullion to Liabilities at Call.—(i.) *Commonwealth.* Although it is not strictly correct to assume that the division of deposits into those bearing interest and not bearing interest would in every case coincide with a division into fixed deposits and current accounts, the division, in default of a better one, must be adopted, and in the following table "liabilities at call" are therefore understood to include the note circulation of the banks and the deposits not bearing interest:—

PERCENTAGE OF COIN AND BULLION TO LIABILITIES AT CALL, COMMONWEALTH, 1901 TO 1908.

Year.	Liabilities at Call.			Coin and Bullion.			Percentage of Coin and Bullion to Liabilities at Call.
	Notes in Circulation.	Deposits not Bearing Interest.	Total.	Coin.	Bullion.	Total.	
	£	£	£	£	£	£	%
1901 ...	3,399,462	37,457,960	40,857,422	18,581,224	1,199,304	19,780,528	48.41
1902 ...	3,305,135	37,727,861	41,032,996	19,744,914	1,330,304	21,075,218	51.36
1903 ...	3,315,747	37,056,187	40,371,934	18,513,784	1,507,825	20,021,609	49.59
1904 ...	3,133,747	35,630,255	38,764,002	17,910,771	1,447,698	19,358,469	49.94
1905 ...	3,036,879	36,847,610	39,884,489	19,988,465	1,501,890	21,490,355	53.88
1906 ...	3,244,256	41,036,116	44,280,372	21,268,679	1,412,763	22,681,442	51.22
1907 ...	3,563,181	46,781,234	50,344,415	22,420,395	1,291,033	23,711,428	47.10
1908 ...	3,536,227	46,015,448	49,551,675	23,578,293	1,353,267	24,931,560	50.31

It would appear from the figures just given that the banks generally consider it advisable to hold about half the amount of liabilities at call in coin and bullion. The drop to 47.10 per cent. in 1907 was due to the very large increase in the amount of deposits during the year, with which the increase in the coin and bullion held, considerable though it was, did not keep pace.

(ii.) *Queensland Treasury Notes.* No bank-notes are issued by any of the banks in Queensland, where a Treasury note has taken the place of bank-notes since 1893. These Treasury notes are disregarded in the quarterly statements of the banks; according to Treasury returns the amount outstanding on 30th June, 1908, was £1,530,982, of which £718,209 was in circulation, while the balance of £812,773 was held by the banks.

(iii.) *States.* The proportion of coin and bullion to liabilities at call varies considerably in the different States, and is generally highest in Western Australia, and lowest in Queensland and Tasmania. A table is appended shewing the percentages for each State for the quarter ended 30th June, 1901 to 1908:—

PERCENTAGE OF COIN AND BULLION TO LIABILITIES AT CALL, STATES AND COMMONWEALTH, 1901 to 1908.*

State.	1901.	1902.	1903.	1904.	1905.	1906.	1907.	1908.
	%	%	%	%	%	%	%	%
N.S.W. ...	45.96	46.97	47.47	48.67	50.51	48.49	44.81	47.70
Victoria ...	47.82	51.91	50.58	52.92	58.01	53.55	49.17	54.68
Queensland	40.95	44.42	46.33	39.66	45.78	40.43	37.20	41.09
S. Australia	54.94	57.67	50.12	51.45	55.66	51.25	46.73	45.63
W. Australia	71.59	80.46	61.83	58.70	67.35	73.98	71.14	76.09
Tasmania ...	37.49	35.12	42.20	46.41	44.25	42.39	39.84	40.06
C'wealth...	48.41	51.36	49.59	49.94	53.88	51.22	47.10	50.31

6. Deposits and Advances.—(i.) *Total Deposits.* The total amount of deposits held by the banks shews a steady advance during the period under review, although the totals for 1903 and 1904, when the country was slowly recovering from the effects of the drought, were slightly below those for 1902:—

TOTAL DEPOSITS IN BANKS, STATES AND COMMONWEALTH, 1901 to 1908.

State.	1901.	1902.	1903.	1904.	1905.	1906.	1907.	1908.
	£	£	£ 691	£	£	£	£	£
N.S.W. ...	33,118,860	34,382,531	33,309,334	33,053,342	35,972,265	39,099,630	41,967,265	43,616,984
Victoria ...	30,991,038	30,839,444	30,719,334	31,188,971	33,642,092	36,764,392	38,393,179	37,539,722
Q'land ...	13,525,489	13,795,737	12,645,725	12,626,184	12,987,859	13,665,110	14,852,584	15,328,056
S. Aust. ...	6,270,396	6,212,957	6,603,225	6,375,267	6,892,103	7,513,802	8,247,366	8,644,346
W. Aust. ...	4,402,519	4,742,579	4,785,839	4,726,158	4,999,650	5,645,701	5,500,112	4,894,639
Tasmania	3,178,846	3,462,986	3,693,420	3,573,181	3,649,416	3,826,631	3,737,463	3,671,641
C'wealth	91,487,148	93,436,234	91,757,234	91,548,103	98,143,385	106,515,266	112,697,969	113,694,388

(ii.) *Deposits per Head of Population.* To shew the extent to which the population makes use of the banking facilities afforded to it, a table is given hereunder shewing the amount of total deposits per head of mean population for each of the years 1901 to 1908. The figures must not be taken to shew part of the savings of the people, as a large proportion of the deposits is non-interest-bearing and therefore presumably used in the business of the banks' customers, together with a small part of the interest-bearing deposits:—

DEPOSITS PER HEAD OF POPULATION, STATES AND COMMONWEALTH, 1901 TO 1908.

State.	1901.	1902.	1903.	1904.	1905.	1906.	1907.	1908.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
New South Wales ...	24 6 5	24 14 4	23 10 7	22 18 8	24 8 1	25 17 11	27 1 2	27 12 10
Victoria ...	25 14 9	25 9 8	25 8 7	25 17 2	27 15 7	30 1 3	30 0 19	29 18 4
Queensland ...	26 18 8	27 0 5	24 13 3	24 5 8	24 13 6	25 11 10	27 7 9	27 19 2
South Australia ...	17 7 0	17 1 8	18 1 10	17 5 5	18 8 3	19 15 7	21 6 3	21 16 4
Western Australia ...	23 5 11	22 18 2	21 11 2	19 17 2	19 18 0	21 13 0	20 16 3	18 10 3
Tasmania ...	18 10 5	20 0 8	20 17 6	20 1 8	20 10 2	21 10 7	21 2 9	20 5 2
Commonwealth ...	24 2 9	24 4 8	23 10 6	23 3 3	24 8 11	26 1 6	27 2 1	26 18 6

(iii.) *Total Advances.* In the quarterly statements furnished by the banks the column headed "all other debts due to the banks," which averages from 75 to 80 per cent. of the total assets, is made up of such miscellaneous items as bills discounted, promissory notes discounted, overdrafts on personal security, overdrafts secured by deposit of deeds or by mortgage, etc. The quarterly returns furnished to the Commonwealth Statistician in 1908 provided for a division of the amounts contained under this heading into a number of sub-headings, but all the banks were not in a position to make the necessary division, so that under present circumstances it is impossible to separate these items, and the total amounts contained in the column must, therefore, be treated as advances. The following table shews the totals for each State during the years 1901 to 1908:—

ADVANCES BY BANKS, STATES AND COMMONWEALTH, 1901 to 1908.

State.	1901.	1902.	1903.	1904.	1905.	1906.	1907.	1908.
	£	£	£	£	£	£	£	£
N.S.W. ...	39,194,344	39,797,960	38,658,565	33,237,755	31,965,017	32,057,192	34,460,993	37,948,889
Victoria ...	30,958,245	30,446,032	29,905,949	29,426,052	28,593,201	29,699,683	31,394,070	33,254,780
Queensland ...	13,568,589	13,633,376	14,082,725	13,974,233	13,590,333	13,850,921	15,078,455	15,245,537
South Aust.	4,332,730	4,434,031	4,428,983	4,401,991	4,793,936	5,053,184	5,545,346	5,805,575
West. Aust.	3,117,818	3,276,409	3,633,451	3,955,108	4,172,983	4,635,624	5,140,911	5,581,001
Tasmania ...	2,538,442	2,397,290	2,541,487	2,710,083	2,650,789	2,592,517	2,872,660	3,008,237
C'wealth	93,710,166	93,985,098	93,301,160	87,705,222	85,766,259	87,889,121	94,990,435	100,844,019

(iv.) *Proportion of Advances to Deposits.* The percentage borne by advances to total deposits shews to what extent the needs of one State have to be supplied by the resources of another State, and where the percentage for the Commonwealth as a whole exceeds 100, as it did in 1901, 1902, and 1903, the banks must have supplied the deficiency from their own resources, or from deposits obtained outside the Commonwealth. The figures shew, however, that the banking business of the Commonwealth has been practically self-contained during the period under review:—

PERCENTAGE OF ADVANCES TO TOTAL DEPOSITS, STATES AND COMMONWEALTH, 1901 TO 1908.

State.	1901.	1902.	1903.	1904.	1905.	1906.	1907.	1908.
	%	%	%	%	%	%	%	%
N.S.W. ...	118.34	115.75	116.06	100.54	88.86	81.99	82.11	87.00
Victoria ...	99.89	98.72	97.35	94.35	84.99	80.78	83.07	88.59
Queensland...	100.32	98.82	111.36	110.68	104.64	101.36	101.51	99.46
South Aust.	69.10	71.37	67.07	69.05	69.56	67.25	67.24	67.16
West. Aust.	70.82	69.08	76.97	83.69	83.47	82.11	93.47	114.00
Tasmania ...	79.85	69.23	68.81	75.85	72.64	67.75	76.86	81.93
C'wealth	102.43	100.59	101.68	95.80	87.39	82.51	84.29	88.70

7. Clearing Houses. The Sydney Banks' Exchange Settlement and the Melbourne Clearing House, at which two institutions settlements are effected daily between the banks doing business in New South Wales and Victoria respectively, publish figures of the weekly clearances effected. From these figures it appears that in 1908 the total clearances in Sydney amounted to £227,736,000, and in Melbourne to £221,354,000. These figures represent in both cases a decrease on those for 1907, the decrease in Sydney amounting to £6,433,000, and in Melbourne to £15,240,000. Owing to the different distribution of the banking business in the two cities these figures do not, however, afford a fair comparison of the volume of banking business transacted in Sydney and Melbourne.

§ 3. Companies.

1. General.—Returns in regard to registered companies are defective, and with few exceptions are not available for Tasmania. They embrace (1) Returns relating to Trustees, Executors, and Agency Companies; (2) Returns relating to Registered Building and Investment Societies; and (3) Returns relating to Registered Co-operative Societies.

2. Trustees, Executors, and Agency Companies.—Returns are available of seven Victorian, two New South Wales, one Queensland, one South Australian, one Western Australian, and two Tasmanian companies. The paid-up capital of these fourteen companies amounted to £404,422; reserve funds and undivided profits to £234,888; other liabilities, £81,030; total liabilities, £720,340. Among the assets are included:—Deposits with Governments, £162,500; other investments in public securities, fixed deposits, etc., £102,027; loans on mortgage, £151,495; property owned, £187,032; other assets, £117,286. The net profits for the year were £58,690, and the amount of dividends and bonus £31,597. Returns as to the amount at credit of estates represented by assets are only available for seven companies, viz.:—Two Victorian, two New South Wales, one Queensland, one South Australian, and one Western Australian. They amount to the following large sums:—

Victoria	...	£9,949,782	South Australia	...	£2,083,930
New South Wales	...	9,495,542	Western Australia	...	1,146,546
Queensland	...	1,528,345	Commonwealth	...	<u>£24,204,145</u>

Probably £8,000,000 would at the least have to be added to this amount for the remaining seven companies, so that the total amount is probably not far short of £32,000,000. None of these companies receive deposits, and advances are only made under exceptional circumstances, and to a very limited extent, the total so shewn in the last balance-sheets being only £57,417.

3. Registered Building and Investment Societies.—Returns have been received of a total of 142 societies, viz., 62 in New South Wales, 30 in Victoria, 17 in Queensland, 24 in South Australia, and 9 in Western Australia. The balance-sheets cover various periods ended during the second half of 1907 and the first half of 1908, so that the returns may be assumed to roughly correspond to the financial year 1907-8. The liabilities of the 142 societies are stated as follows:—

LIABILITIES OF REGISTERED BUILDING AND INVESTMENT SOCIETIES.

State.	Paid-up Capital or Subscriptions.	Reserve Funds.	Deposits.	Bank Over-drafts and other Liabilities.	Total Liabilities.
	£	£	£	£	£
New South Wales	434,479	62,413	406,680	73,279	976,851
Victoria	1,311,813	195,186	694,095	463,689	2,664,783
Queensland	351,631	23,168	...	12,881	387,680
South Australia	296,400	3,111	995	4,150	304,656
Western Australia	86,686	...	13,687	15,971	116,344
Commonwealth*	2,481,009	283,878	1,115,457	569,970	4,450,314

* Exclusive of Tasmania.

The assets of the companies for the same period were as follows:—

ASSETS OF REGISTERED BUILDING AND INVESTMENT SOCIETIES.

State.	Advances on Mortgage.	Landed and House Property, Furniture, etc.	Cash in Hand and on Deposit and other Assets.	Total Assets.
	£	£	£	£
New South Wales ...	837,713	70,363	68,775	976,851
Victoria ...	1,296,772	1,266,681	75,960	2,639,413
Queensland ...	352,724	387	44,245	397,356
South Australia ...	274,115	20,036	17,547	311,758
Western Australia ...	112,467	...	6,509	118,976
Commonwealth*	2,873,791	1,357,527	213,036	4,444,354

* Exclusive of Tasmania.

4. **Registered Co-operative Societies.**—Returns are available of 78 societies, of which 34 were in New South Wales, 27 in Victoria, 5 in Queensland, 8 in South Australia, and 4 in Western Australia. As in the case of Building and Investment Societies, so in the case of Co-operative Societies do the balance-sheets cover various periods ended during the financial year 1907-8. The liabilities of the 78 societies are shewn in the following table:—

LIABILITIES OF REGISTERED CO-OPERATIVE SOCIETIES.

State.	Paid-up Capital.	Reserve Funds.	Bank Over-drafts and Sundry Creditors.	Other Liabilities, Profit and Loss Account, &c.	Total Liabilities.
	£	£	£	£	£
New South Wales ...	74,882	35,471	42,355	35,548	188,256
Victoria ...	97,173	6,274	115,795	5,032	224,274
Queensland ...	5,488	1,816	1,001	...	8,305
South Australia ...	65,887	6,367	26,725	30	99,009
Western Australia ...	6,417	1,046	5,731	1,669	14,863
Commonwealth*	249,847	50,974	191,607	42,279	534,707

* Exclusive of Tasmania.

The assets of the societies are shewn hereunder:—

ASSETS OF REGISTERED CO-OPERATIVE SOCIETIES.

State.	Stock and Fittings.	Cash in Hand and Sundry Debtors.	Freehold and other Property and other Assets.	Total Assets.
	£	£	£	£
New South Wales ...	96,759	50,861	40,636	188,256
Victoria ...	175,165	57,104	1,524	233,793
Queensland ...	4,575	2,972	...	7,547
South Australia ...	72,404	22,794	7,645	102,843
Western Australia ...	14,437	5,108	25	19,570
Commonwealth*	363,340	138,839	49,830	552,009

* Exclusive of Tasmania.

§ 4. Savings Banks.

1. **General.**—The total number of savings banks, with their branches and agencies, in the Commonwealth, closely approximates to that of banks of issue, and was at the middle of 1908, 1717, distributed as follows:—New South Wales, 635; Victoria, 389; Queensland, 203; South Australia, 216; Western Australia, 137 (exclusive of 70 school penny savings banks); and Tasmania, 137.

In the following tables the figures for Victoria, Queensland, South Australia and Western Australia refer to financial years ended 30th June, and those of New South Wales to calendar years ended 31st December next preceding. In the case of Tasmania figures for the two joint-stock savings banks are made up to the last day of February in each year, and those for the Government Savings Bank to the 31st December, except in 1906-7 and 1907-8, where they relate to the year ended 30th June.

2. **Depositors.**—The total number of depositors, *i.e.*, of persons having accounts open, not of those making deposits, in each of the last eight years is shewn in the following table:—

NUMBER OF DEPOSITORS IN SAVINGS BANKS, 1900-1 to 1907-8.

State.	1900-1.	1901-2.	1902-3.	1903-4.	1904-5.	1905-6.	1906-7.	1907-8.
N.S.W.	282,643	306,311	323,212	331,956	355,824	364,039	392,050	421,928
Victoria	393,026	410,126	418,511	432,867	447,382	466,752	491,318	511,581
Q'land	81,025	84,685	80,043	80,959	84,165	88,026	92,912	100,324
S.A. ...	126,032	132,084	137,147	141,572	146,366	152,487	161,855	172,278
W.A.	39,318	45,108	48,008	54,873	59,764	63,573	66,737	*72,178
Tas.	42,509	44,527	46,451	47,904	49,438	50,731	53,817	55,620
Cwlth.	964,553	1,022,841	1,053,372	1,090,131	1,142,939	1,185,608	1,258,689	1,333,909

* Inclusive of 2645 depositors in school penny savings banks.

The subjoined table shews the above figures in relation to the population of the States; it must, of course, be borne in mind that savings bank accounts are not restricted to the adult population, but that it is, on the contrary, a very usual practice to open accounts in the name of children. Even so, the proportion is a large one, amounting to three-tenths of the total population of the Commonwealth, and rising both in Victoria and in South Australia to more than two-fifths:—

DEPOSITORS IN SAVINGS BANKS PER THOUSAND OF POPULATION,

1900-1 TO 1907-8.

State.	1900-1.	1901-2.	1902-3.	1903-4.	1904-5.	1905-6.	1906-7.	1907-8.
N.S.W. ...	208	223	230	233	244	244	257	269
Victoria ...	326	339	346	359	369	382	397	407
Queensland	161	166	156	156	160	165	171	182
S. Australia	349	363	376	383	391	401	418	433
W. Australia	208	218	216	231	238	244	253	272
Tasmania ...	246	255	262	267	274	280	304	308
C'wealth ...	255	266	271	277	286	291	304	316

3. **Deposits.**—The total amount of deposits in the savings banks of the six States reaches the large sum of forty-six million pounds, and would no doubt be even larger if the banks did not restrict interest-bearing deposits to certain limits. It must be remembered that though not granting him facilities to draw cheques, the Australian savings banks practically afford the small tradesman all the advantages of a current account, in addition to which they also allow him interest on his minimum monthly balance, instead of charging him a small fee for keeping his account, as the banks of issue do. The rates of interest allowed, and the limits of interest-bearing deposits, from 1st January, 1909, are as follows:—New South Wales, Government Savings Bank, 3 per cent. up to £500; Savings Bank of New South Wales, $3\frac{1}{2}$ per cent. up to £200; Victoria, $3\frac{1}{4}$ per cent. on first £100, and 3 per cent. on excess from £101 to £250; Queensland, 3 per cent. up to £200; South Australia, $3\frac{1}{4}$ per cent. up to £250; Western Australia, 3 per cent. up to £1000; Tasmania, Government Savings Bank, 3 per cent. up to £250; Hobart Trustees' Savings Bank, $3\frac{1}{4}$ per cent. up to £150; Launceston Trustees' Savings Bank, $3\frac{1}{4}$ per cent. up to £150. The savings banks of four of the States—New South Wales (Government Savings Bank), Victoria, South Australia, and Western Australia—have, for the further benefit of depositors, entered into a reciprocity arrangement, under which money deposited in one State may be drawn out in another State, and even by telegraph.

The table below shews the total amounts at credit of depositors in each of the last eight years:—

DEPOSITS IN SAVINGS BANKS, 1901 to 1907-8.

State.	1900-1.	1901-2.	1902-3.	1903-4.	1904-5.	1905-6.	1906-7.	1907-8.
	£	£	£	£	£	£	£	£
N.S. Wales...	10,901,382	11,808,710	12,425,464	12,344,623	12,962,648	13,963,435	15,320,532	17,530,157
Victoria...	9,662,006	10,131,604	10,341,857	10,582,808	10,896,741	11,764,179	12,762,580	13,428,676
Queensland...	3,896,170	4,118,337	3,772,686	3,741,967	3,875,197	4,142,791	4,543,104	4,621,881
South Aus.	3,795,631	3,988,649	4,187,590	4,217,836	4,398,041	4,760,907	5,320,872	5,820,161
West. Aus....	1,618,359	1,889,082	1,985,624	2,079,763	2,207,296	2,316,161	2,633,135	2,885,463
Tasmania...	1,009,097	1,092,047	1,194,157	1,249,760	1,263,542	1,332,546	1,488,056	1,560,951
C'wealth...	30,882,645	33,028,429	33,910,378	34,216,757	35,623,465	38,286,219	42,098,289	46,147,289

A comparison between the tables shewing the number of depositors and the amount of deposits reveals the fact that the average amounts to the credit of each depositor are considerably larger in one State than in another; in other words, that in one State a comparatively larger proportion of the population make use of the savings banks, and that the natural result is a smaller amount to the credit of the individual depositor. Within the same State there is little variation in the figures from year to year:—

AVERAGE AMOUNTS PER DEPOSITOR IN AUSTRALIAN SAVINGS BANKS,

1900-1 TO 1907-8.

State.	1900-1.	1901-2.	1902-3.	1903-4.	1904-5.	1905-6.	1906-7.	1907-8.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
New South Wales...	38 11 5	38 11 0	38 8 10	37 3 9	36 9 9	38 7 2	39 1 7	41 10 11
Victoria...	24 11 8	24 14 1	24 14 3	24 9 0	24 7 2	25 4 1	26 0 9	26 5 0
Queensland...	48 1 0	48 12 7	47 2 8	46 4 5	46 0 10	47 1 3	48 17 11	49 1 2
South Australia...	30 2 4	30 3 11	30 10 8	29 15 10	30 1 0	31 5 3	32 17 6	33 15 8
Western Australia...	41 3 3	41 17 7	41 8 5	37 18 0	36 18 8	36 8 8	39 9 1	39 19 6
Tasmania...	23 14 9	24 10 6	25 14 2	26 1 9	25 11 2	26 5 4	27 13 0	28 1 4
Commonwealth...	32 0 4	32 5 10	32 3 10	31 7 9	31 8 4	32 5 10	33 8 11	34 11 11

The average amount deposited per head of population shews a satisfactory increase during the period under review. In 1900-1 it ranged from £10 10s. in South Australia to £5 16s. 9d. in Tasmania, while in 1907-8 the amount in South Australia had risen to £14 12s. 3d., and in Tasmania to £8 13s. 1d. Tasmania's average in 1906-7 was higher than that of Queensland, which, nevertheless, rose from £7 15s. 2d. to £8 7s. 6d. during the seven years. In 1907-8 the average for Queensland was again 1s. 3d. higher than that for Tasmania. The following table gives the figures for each year:—

SAVINGS BANKS DEPOSITS PER HEAD OF POPULATION, 1900-1 to 1907-8.

State.	1900-1.	1901-2.	1902-3.	1903-4.	1904-5.	1905-6.	1906-7.	1907-8.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
N.S.W.	8 0 3	8 11 9	8 17 1	8 13 0	8 18 2	9 7 3	10 0 8	11 3 6
Vic. ...	8 0 6	8 7 5	8 11 3	8 15 6	9 0 0	9 12 5	10 6 10	10 13 10
Q'land ...	7 15 2	8 1 4	7 7 2	7 3 11	7 7 3	7 15 2	8 7 6	8 18 4
S.A. ...	10 10 0	10 19 4	11 9 5	11 8 6	11 15 0	12 11 0	13 15 0	14 12 3
W.A. ...	8 11 3	9 2 6	8 19 2	8 14 9	8 15 9	8 17 8	9 19 3	10 17 4
Tas. ...	5 16 9	6 5 3	6 14 7	6 19 3	7 0 3	7 7 2	8 8 4	8 13 1
C'wealth	8 3 0	8 12 0	8 14 5	8 13 8	8 18 1	9 8 1	10 3 8	10 18 8

4. Annual Business.—The annual volume of business transacted by the Australian savings banks is very large when compared with the total amount of deposits. This is mainly due to the fact already pointed out of many accounts being used as convenient current accounts. Thus, during the last year of the period under review, the total amount deposited and withdrawn (exclusive of interest added) amounted to more than 129 per cent. of the total amount of deposits at the end of the previous year, while the amount at credit of depositors (inclusive of interest added) increased by less than 10 per cent. during the same year. The following table shews the business transacted during the year 1907-8:—

TRANSACTIONS DURING THE YEAR 1907-8.

State.	Total Deposits at End of Year 1906-7.	Amounts Deposited during Year 1907-8.	Interest Added during Year 1907-8.	Total.	Amounts Withdrawn during Year 1907-8.	Total Deposits at End of Year 1907-8.
	£	£	£	£	£	£
N.S. Wales ...	15,320,532	10,093,531	482,749	25,896,812	8,366,655	17,530,157
Victoria ...	12,792,590	9,999,045	332,952	23,124,587	9,695,911	13,428,676
Queensland ...	4,543,104	2,424,447	129,664	7,097,215	2,175,334	4,921,881
South Australia	5,320,872	3,204,265	163,429	8,688,566	2,868,405	5,820,161
West. Australia	2,633,135	2,023,556	77,514	4,734,205	1,848,742	2,885,463
Tasmania ...	1,488,056	850,212	48,504	2,386,772	825,821	1,560,951
Commonwealth	42,098,289	28,595,056	1,234,812	71,928,157	25,780,868	46,147,289

§ 5. Life Assurance.

1. **General.**—Under section 51 of the Commonwealth Constitution Act, the Commonwealth Parliament is empowered to legislate in regard to “insurance, other than State insurance; also State insurance extending beyond the limits of the State concerned.” With the exception of Act No. 12 of 1905, “an Act relating to assurance on the lives of children by life assurance companies or societies,” no legislation relating to insurance has been passed by the Commonwealth Parliament, and life assurance companies carry on their business under State laws where such laws are in existence, or otherwise under the provisions of various companies or special Acts. A Royal Commission was, however, appointed in 1908, consisting of the Honourable J. H. Hood, one of the judges of the Supreme Court of Victoria, and G. H. Knibbs, Esquire, Commonwealth Statistician, “to inquire into and report upon the law relating to and the methods of operating Fire, Life, Industrial, and other Insurance in Australia.” The Commission is required to report the result of its inquiry before the 30th June, 1909. On this result future Commonwealth legislation will probably be based.

Returns for the year 1907 have been directly collected from life assurance societies by the Commonwealth Statistician, with results which are in the main satisfactory. From two of the foreign companies returns have not yet been received, and in their case 1906 figures had, therefore, to be repeated in the following tables. Unlike previous returns, figures for 1907 refer to business in the Commonwealth only, and omit New Zealand business.

2. **Companies Transacting Business in the Commonwealth.**—The total number of companies at present established in the Commonwealth is twenty, of which the following eight have their head offices in New South Wales:—The Australian Mutual Provident Society, the Mutual Life Association of Australasia, the City Mutual Life Assurance Society Limited, the Citizens' Life Assurance Company Limited, the Standard Life Association Limited, the Australian Metropolitan Life Assurance Company Limited, the People's Prudential Assurance Company Limited, and the Phoenix Mutual Provident Society Limited. Of these companies the Mutual Life Association of Australasia and the Citizens' Life Assurance Company Limited have during 1908 amalgamated. Six companies have their head offices in Victoria, viz.—The Australian Alliance Assurance Company, the National Mutual Life Association of Australasia Limited, the Australian Widows' Fund Life Assurance Society Limited, the Victoria Insurance Company Limited, the Colonial Mutual Life Assurance Society Limited, and the Australasian Temperance and General Mutual Life Assurance Society Limited. The head office of the Provident Life Assurance Company is in New Zealand, and that of the Liverpool and London and Globe Insurance Company in England. The Independent Order of Foresters is a Canadian institution, while the remaining three societies belong to the United States, viz.—The Equitable Life Insurance Society of the United States, the Mutual Life Insurance Company of New York, and the New York Life Insurance Company.

Most of the Australian companies are purely mutual; the Victoria (which takes no new life business), the Citizens', the Standard, the Metropolitan, and the Prudential, are the only companies which are partly proprietary, the shareholders' capital amounting to £40,000, £20,000, £12,500, £10,632 and £4785 respectively. Of foreign companies transacting business in the Commonwealth, the Provident and the Equitable are partly proprietary, the shareholders' capital amounting to £5250 and £20,550 respectively. No returns are available of the Liverpool and London and Globe Insurance Company.

3. **Ordinary and Industrial Business.**—Of the societies enumerated in the preceding paragraph the following five transact both ordinary and industrial business:—

The Australian Mutual Provident Society, the Citizens' Life Assurance Company Limited, the Australasian Temperance and General Mutual Life Assurance Society Limited, the Standard Life Association Limited, and the Australian Metropolitan Life Assurance Company Limited.

The People's Prudential Assurance Company Limited, the Phoenix Mutual Provident Society Limited and the Provident Life Assurance Company restrict their operations to industrial business, the first in addition having a medical benefit branch.

The remaining twelve societies transact ordinary life assurance business only, with the exception of those companies which have fire and accident branches, etc.

It has been attempted in this section to keep returns relating to ordinary and to industrial business apart, so far as it is possible to do so, and figures relating to companies whose head offices are in Europe or America refer to the Australian business of those companies only.

4. Ordinary Business: Australian Business in Force, 1907.—The subjoined table shews the ordinary life business in force at the latest dates available in the seventeen societies conducting operations in the Commonwealth and in New Zealand:—

ORDINARY LIFE ASSURANCE.—AUSTRALIAN BUSINESS IN FORCE, 1907.

Society.	Policies in force, exclusive of Annuities.	Amount Assured, exclusive of Bonus Addition, etc.	Annual Premium Income.
	No.	£	£
Australian Mutual Provident Society	177,038	49,318,807	1,649,160
Mutual Life Association of Australasia	17,056	4,148,483	151,802
City Mutual Life Assurance Society	13,323	1,714,127	64,758
Citizens' Life Assurance Company	41,239	5,662,769	203,994
Standard Life Association	4,808	632,631	22,806
Australian Metropolitan Life Assurance Company	1,788	149,151	6,713
Australian Alliance Assurance Company	648	221,713	6,222
National Mutual Life Association of Australasia	53,936	11,600,088	410,325
Australian Widows' Fund Life Assurance Society	23,247	4,786,261	166,459
Victoria Insurance Company	163	79,650	2,264
Colonial Mutual Life Assurance Society	16,490	3,574,626	121,608
Australasian Temperance and General Mut. Life Ass. Socy.	19,355	2,177,459	79,727
Liverpool and London and Globe Insurance Company	414	194,483	5,427
*Independent Order of Foresters	1,448	246,700	4,677
Equitable Life Assurance Society of United States	8,782	3,180,791	157,876
*Mutual Life Insurance Company of New York	5,305	2,169,155	83,403
New York Life Insurance Company	6,647	2,514,637	98,216

* Returns for 1906.

5. Industrial Business: Australian Business in Force, 1907.—Similar information in regard to the industrial business of the eight societies transacting that kind of business is given in the following table:—

INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN BUSINESS IN FORCE, 1907.

Society.	Policies in Force.	Amount Assured.	Annual Premium Income.
	No.	£	£
Australian Mutual Provident Society	20,848	589,496	28,038
Citizens' Life Assurance Company	183,137	3,604,232	167,353
Standard Life Association	24,611	666,745	26,143
Australian Metropolitan Life Assurance Company	12,318	411,820	17,582
People's Prudential Assurance Company	6,266	178,996	15,348
* Phoenix Mutual Provident Society	442	18,516	3,473
Aust. Temperance and General Mutual Life Ass. Society	88,604	1,701,817	104,815
Provident Life Assurance Company	1,739	45,881	2,134

* Returns for 1906.

6. Receipts and Expenditure of Australasian Societies, 1907.—(i.) *Ordinary Business.* The following returns refer only to those companies whose head offices are in the Commonwealth and in New Zealand. The People's Prudential Assurance Company, whose accounts do not distinguish between revenue and expenditure on account of ordinary and industrial business, has been included among the companies doing industrial business:—

ORDINARY LIFE ASSURANCE.—RECEIPTS AND EXPENDITURE, 1907.

Society.	Receipts.	Expenditure.	Excess Receipts (Addition to Funds).
	£	£	£
Australian Mutual Provident Society	2,565,540	1,758,752	806,788
Mutual Life Association of Australasia	228,668	185,804	42,864
City Mutual Life Assurance Society	82,763	54,306	28,457
Citizens' Life Assurance Company	257,054	107,264	149,790
Standard Life Association	23,605	22,058	1,547
Australian Metropolitan Life Assurance Company ...	6,776	5,042	1,734
Australian Alliance Assurance Company	13,923	34,169	*—20,246
National Mutual Life Association of Australasia ...	603,915	391,579	212,336
Australian Widows' Fund Life Assurance Society ...	243,953	211,295	32,658
Victoria Insurance Company	11,478	25,796	*—14,318
Colonial Mutual Life Assurance Society	201,054	183,541	17,513
Aust. Temperance & General Mutual Life Ass. Socy.	98,571	57,417	41,154
Total	4,337,300	3,037,023	1,300,277

* Decrease.

(ii.) *Industrial Business.* A similar return for those societies which transact industrial business is given below. The figures for the Prudential, as stated above, are included therein:—

INDUSTRIAL LIFE ASSURANCE.—RECEIPTS AND EXPENDITURE, 1907.

Society.	Receipts.	Expenditure.	Excess Receipts (Addition to Funds)
	£	£	£
Australian Mutual Provident Society	28,205	26,607	1,598
Citizens' Life Assurance Company	216,438	126,784	89,654
Standard Life Association	27,066	28,760	*—1,694
Australian Metropolitan Life Assurance Company	20,343	16,543	3,800
People's Prudential Assurance Company	15,919	13,693	2,226
Phoenix Mutual Provident Society	†	†	†
Aust. Temperance & General Mutual Life Ass. Soc.	112,069	61,895	50,174
Provident Life Assurance Company	2,134	1,820	314
Total	422,174	276,102	146,072

* Decrease. † Returns not available.

7. **Expenses of Management of Australasian Societies, 1907.**—(i.) *Ordinary Business.* In the following table the expenses of management (including commission, expenses of management, license fees, and taxes) of the several Australasian societies transacting ordinary life business are shewn, together with the proportion these expenses bear to premium income and to gross receipts. The People's Prudential company is included amongst the industrial companies in a subsequent table, as that company transacts mainly industrial business, and as its returns include both ordinary and industrial business :—

ORDINARY LIFE ASSURANCE.—EXPENSES OF MANAGEMENT, 1907.

Society.	Expenses of Manage- ment.	Proportion to Premium Receipts.	Proportion to Gross Receipts.
	£	%	%
Australian Mutual Provident Society... ..	220,525	13.37	8.60
Mutual Life Association of Australasia	39,508	26.03	17.28
City Mutual Life Assurance Society	18,875	29.15	22.81
Citizens' Life Assurance Company	20,399	10.00	7.94
Standard Life Association	19,461	86.13	83.21
Australian Metropolitan Life Assurance Company	2,500	37.24	36.90
Australian Alliance Assurance Company	2,441	39.23	17.53
National Mutual Life Association of Australasia	64,709	15.76	10.72
Australian Widows' Fund Life Assurance Society	45,842	27.54	18.79
Victoria Insurance Company	1,307	57.73	11.36
Colonial Mutual Life Assurance Society	48,810	40.14	24.24
Australasian Temperance and General Mut. Life Ass. Soc.	18,313	22.97	18.39

(ii.) *Industrial Business.* The Australasian assurance societies have, in common with assurance societies elsewhere, made the experience that industrial business is much more expensive than ordinary business. This is, of course, principally due to the great expenses in connection with collection and commission. The subjoined table shews particulars so far as they are available, the figures again including commission, expenses of management, license fees, and taxes :—

INDUSTRIAL LIFE ASSURANCE.—EXPENSES OF MANAGEMENT, 1907.

Society.	Expenses of Manage- ment.	Proportion to Premium Receipts.	Proportion to Gross Receipts.
	£	%	%
Australian Mutual Provident Society	25,206	89.90	89.37
Citizens' Life Assurance Company	71,980	43.01	33.26
Standard Life Association	19,263	73.68	71.17
Australian Metropolitan Life Assurance Company	11,388	64.77	55.98
People's Prudential Assurance Company*	7,163	46.68	45.50
Phoenix Mutual Provident Society	†	†	†
Aust. Temperance & General Mutual Life Ass. Socy.	46,533	44.39	41.52
Provident Life Assurance Company	1,118	52.39	52.39

* Including ordinary business.

† Returns not available.

8. **Liabilities and Assets of Australasian Societies, 1907.**—The liabilities of the Australasian societies consist mainly of their assurance funds; as already mentioned, only six of the societies are partly proprietary, viz., the Citizens', with a paid-up capital of £20,000; the Standard, with a paid-up capital of £12,500; the Metropolitan, with a paid-up capital of £10,632; the Prudential, with a paid-up capital of £4785; the Victoria, with a paid-up capital of £40,000; and the Provident, with a paid-up capital of £5250. With the exception of the Victoria, this paid-up capital belongs in every case to the industrial branch of the respective societies. In the following table these amounts are included with the assurance funds. The assets consist mainly in loans on mortgage and policies, in Government, municipal, and similar securities, shares, freehold property, etc. Loans on personal security are only granted by very few of the Australian societies:—

(i.) *Ordinary Business.* The following table shews the liabilities and assets of the Australasian societies transacting ordinary life business:—

ORDINARY LIFE ASSURANCE.—LIABILITIES AND ASSETS, 1907.

Society.	Liabilities.			Assets.		
	Total Funds including Paid-up Capital.	Other Liabilities.	Total.	Loans on Mortgages and Policies.	Securities, Freehold Property, etc.	Total.
	£	£	£	£	£	£
Australian Mutual Provident Society* ...	19,207,409	314,090	19,551,499	10,852,390	8,699,109	19,551,499
Mutual Life Association of Australasia ...	1,773,795	20,362	1,794,157	1,165,093	629,064	1,794,157
City Mutual Life Assurance Society ...	352,753	11,430	364,183	213,210	150,973	364,183
Citizens' Life Assurance Company ...	1,241,964	5,251	1,247,215	344,816	1,040,185	1,385,001
Standard Life Association ...	22,282	2,707	24,989	893	24,076	24,969
Australian Metropolitan Life Assurance Co. ...	15,490	302	15,792	460	15,332	15,792
Australasian Alliance Assurance Company ...	199,552	14,394	213,946	129,132	84,814	213,946
National Mut. Life Assoc. of Australasia ...	3,982,603	51,468	4,014,071	2,516,329	1,523,868	4,040,197
Aust. Widows' Fund Life Assur. Society ...	1,747,716	13,796	1,761,512	1,359,672	401,840	1,761,512
Victoria Insurance Company ...	233,791	14,763	248,559	111,812	136,471	248,283
Colonial Mutual Life Assurance Society ...	2,252,829	2,337	2,255,216	1,185,801	1,069,415	2,255,216
Aust. Temp. & Gen. Mut. Life Assur. Soc.* ...	632,152	2,647	634,799	185,791	449,008	634,799
Total ...	31,642,316	483,602	32,125,918	18,065,399	14,224,155	32,289,554

* Including industrial business. As the business of these two societies is mainly ordinary life business they have been included in this table.

(ii.) *Industrial Business.* As stated in the footnote to the preceding table, the Australian Mutual Provident Society and the Australasian Temperance and General Mutual Life Assurance Society, which transact a certain amount of industrial business, but whose business is mainly ordinary life business, have been included with those societies doing only ordinary life business. On the other hand, the People's Prudential Assurance Company, in whose case industrial business greatly predominates over ordinary life business, has been included in the following table. Incomplete as the table is, it shews that the funds appropriated to industrial business are very insignificant in comparison with those pertaining to ordinary life business. Taking the table in conjunction with the statements of revenue and expenditure, the question may well be asked whether in the case of some of the societies industrial business is worth catering for at all:—

INDUSTRIAL LIFE ASSURANCE.—LIABILITIES AND ASSETS, 1907.

Society.	Liabilities.			Assets.		
	Total Funds, including Paid-up Capital.	Other Liabilities.	Total.	Loans on Mortgages and Policies.	Securities, Freehold Property, etc.	Total.
Citizens' Life Assurance Company...	£ 598,699	£ 7,181	£ 605,880	£ 187,986	£ 403,239	£ 591,225
Standard Life Association ...	27,856	16,094	43,940	1,785	42,155	43,940
Australian Metropolitan Life Assurance Co.	21,352	23,929	45,281	416	44,865	45,281
People's Prudential Assurance Company*	17,016	214	17,230	4,861	12,369	17,230
Phoenix Mutual Provident Society...	†	†	†	†	†	†
Provident Life Assurance Company	†	†	†	†	†	†
Total ...	664,923	47,408	712,331	195,048	502,628	697,676

* Including ordinary business. † Returns not available. ‡ Not separable from New Zealand business.

§ 6. Other Insurance.

1. **General.**—Returns as to fire insurance are very defective, and only for Sydney and Melbourne and the country districts of Victoria have some figures been given which are worth reproducing. The Royal Commission mentioned above under "Life Assurance" is inquiring into fire insurance matters, and Commonwealth legislation may, therefore, be expected at an early date.

2. **Sydney.**—Under the Fire Brigades Act 1902 the cost of the Metropolitan Fire Brigade is defrayed by equal payments on the part of the Colonial Treasurer, the municipal councils within the area under the jurisdiction of the Fire Brigades Board, and the insurance companies represented in Sydney. The companies divide their share proportionately to the amount held at risk. Under this arrangement the amount payable by the companies for the year 1908 was £17,400, divided amongst sixty companies, of which not more than five had their head office in Sydney. The amounts thus held at risk at the close of the last three years for which returns are available were, in 1905, £78,108,749; in 1906, £81,364,129; and in 1907, £86,563,304. As the total capital value of all ratable property in Sydney and suburbs is over £102,000,000, and the unimproved value £44,000,000, the value of buildings and other improvements on ratable property amounts to £58,000,000, and it appears, therefore, that in addition to the value of buildings, represented by this £58,000,000, furniture, stocks in warehouses, machinery, etc., must be insured for over £28,000,000.

3. **Melbourne.**—In Melbourne the Metropolitan Fire Brigades Board assesses the amount payable by the insurance companies on the amount of premiums returned. These premiums for the last three years averaged about £300,000 per annum, while the contributions paid by the companies amounted to about £13,000, or about £4 6s. 8d. for every £100 of premiums. It may be said, therefore, that the companies have to devote about 4½ per cent. of their premium income from metropolitan insurances to the maintenance of the fire brigade.

The annual value of ratable property is nearly £5,000,000, and the amounts contributed by the municipalities—as in the case of the insurance companies, one-third of the amount required by the Fire Brigades Board, the remaining one-third being contributed by the State Treasurer—are equal to about ¾d. per £1 of ratable value. In addition to this contribution insurance companies doing business in Victoria have to take out an annual license at a cost of 1½ per cent. of their gross premium income, which is probably equal to about 1¾ per cent. on net income.

4. **Country Districts of Victoria.**—The country districts are divided into nine areas for fire insurance purposes, and the contributions to be paid vary in these areas according to the actual requirements of the Country Fire Brigades Board. The annual values of ratable property were returned as follows:—In 1905, £1,393,770; in 1906, £1,400,568; and in 1907, £1,440,270. The premium income of the insurance companies from country business during the same three years averaged about £150,000, and the contributions of the companies £3700, equal to nearly $2\frac{1}{2}$ per cent. of the premium income.

5. **Brisbane.**—A similar arrangement holds good in Brisbane, under which the cost of the Fire Brigade Board, amounting to about £6000 per annum, is paid in equal shares by the Government, the Brisbane City Council, and the insurance companies.

6. **Australian Insurance Business.**—Returns are available shewing the revenue and expenditure, assets and liabilities, and investments of sixteen insurance companies having their head offices either in the Commonwealth or in New Zealand. These companies are:—(a) with head-office in Sydney—the Australian Mutual Fire Insurance Company, the City Mutual Fire Insurance Company, the Mercantile Mutual Fire Insurance Company, the Queensland Insurance Company Limited, and the United Insurance Company; (b) with head office in Melbourne—the Australian Alliance Assurance Company, the Colonial Mutual Fire Insurance Company, the Commonwealth Insurance Company Limited, the Victoria Insurance Company, and the Victoria General Insurance and Guarantee Company Limited; (c) with head-office in Hobart—the Derwent and Tamar Fire and Marine Assurance Company Limited; (d) with head-office in Launceston—the Mutual Fire Insurance Company of Tasmania; (e) with head-office in Auckland—the New Zealand Insurance Company, and the South British Fire and Marine Insurance Company of New Zealand; and (f) with head-office in Dunedin—the National Fire and Marine Insurance Company of New Zealand, and the Standard Fire and Marine Insurance Company of New Zealand. As their names imply, the majority of these companies transact marine insurance and in some cases guarantee and other business in addition to fire insurance business, and the returns relating to the latter cannot be separated from the former.

The accounts cover two periods of one year, the second year ending at various dates from 31st August, 1907, to 30th June, 1908. The figures for the first year are put in brackets.

The premiums, less reinsurances and returns, amounted to £1,781,653 (£1,656,173); losses were £1,060,768 (£1,158,819). Expenses and commission came to £544,315 (£499,511), and there was, therefore, a profit on trade operations of £176,570 (loss, £2157, chiefly on account of losses experienced by one of the New Zealand companies in connection with the earthquake and fire in San Francisco). As, however, interest, rent, fees, etc., amounted to £134,267 (£132,589), the total profit was £310,837 (£130,432). Dividends and bonuses came to £175,591 (£163,782). The ratio to premium income of losses was, therefore, 59.54 per cent. (69.97 per cent.), ranging from 17.26 per cent. to 75.01 per cent.; and of expenses and commissions, 30.55 per cent. (30.16 per cent.). The resulting ratio of trade surplus to premium income was 9.91 per cent. (loss ratio, 0.13 per cent.).

The paid-up capital of the sixteen companies was £1,295,347 (£1,261,597); reserve and reinsurance funds, £1,877,166 (£1,733,605); undivided profits, £154,275 (£170,581). The total paid-up capital and reserves were, therefore, £3,326,788 (£3,165,783). In addition to these liabilities there were others, viz.:—Unsettled losses, £256,627 (£243,763); sundry creditors, £110,308 (£134,582); dividend to pay, £121,538 (£119,283); and, in the case of one company, a life assurance fund, £219,797 (£242,013), thus bringing the total liabilities to shareholders and to the general public up to £4,035,058 (£3,905,424).

The corresponding amount of assets is made up of investments, £3,513,308 (£3,389,058), viz.:—Loans on mortgage, £927,899 (£814,198); Government securities,

debentures, shares, etc., £1,034,848 (£951,935); landed and other property, including furniture, £727,308 (£669,556); fixed deposits, £540,089 (£582,589); in the case of one company doing a mixed business—loans on its own life policies, etc., £20,987 (£21,945); other investments, £262,177 (£345,785). The balance of assets consisted of cash in bank, on hand, and bills receivable, £146,086 (£173,339); and sundry debtors, etc., £375,664 (£343,027).

The financial position of the companies is undoubtedly a strong one, owing to the steady accumulation of reserves, and the high ratio (186.7 per cent.) borne by capital and reserves to premium income must be a cause of satisfaction to policyholders.

§ 7. Friendly Societies.

1. **General.**—Friendly societies are an important factor in the social life of the community, as probably nearly one-third of the total population of the Commonwealth comes either directly or indirectly under their influence. Their total membership is nearly 360,000, but as certain benefits, such as medical attendance and free medicine and in many cases funeral expenses, are granted to members' families as well as to members themselves, this figure must, even when due allowance is made for young and unmarried members, be multiplied by four at the least to arrive at the total number of persons more or less connected with these societies. Legislation has conferred certain privileges on friendly societies, but, on the other hand, it insists on their registration, and it is the duty of the Registrars in the various States, prior to registering a new society, to see that its rules are conformable to the law, and that the scale of contributions is sufficiently high to enable the promised benefits to be conferred on members. Societies are obliged to forward annual returns as to their membership and their finances to the Registrar, and elaborate reports are published in most of the States dealing with the returns thus received.

In the following tables the figures for New South Wales, Victoria, and Western Australia refer to the year 1907, those for Queensland and South Australia to the year 1906, and those for Tasmania to the year 1905.

2. **Number of Societies, Lodges, and Members.**—The total number of societies registered in New South Wales is 62; in Victoria, 27; in Queensland, 20; in South Australia, 16; in Western Australia, 17; and in Tasmania, 16. No total is given of these figures for the Commonwealth, as the societies shewn in one State are in most cases represented in all the other States. The number of different lodges, the total number of benefit members at the end of the year, and their average number during the year are shewn in the following table:—

NUMBER OF LODGES AND MEMBERS, 31st DECEMBER, 1907.*

State	Number of Lodges.	Benefit Members at End of Year.	Benefit Average No. of Members during Year.
New South Wales	1,333	116,985	101,521
Victoria	1,376	123,443	120,002
Queensland	410	33,717	32,950
South Australia	506	52,165	51,226
Western Australia	251	15,482	15,056
Tasmania	152	17,035	15,507
Commonwealth	4,028	358,827	336,262

* See, however, paragraph 1.

3. **Sickness and Death.**—Sick pay is generally granted for a number of months at full rates, then for a period at half rates, and in some societies is finally reduced to quarter rates. The following table shews the total number of members who received sick pay during the year, the number of weeks for which they received pay in the aggregate, and the average per member sick, and further the number of benefit members who died during the year, together with the proportion of deaths per thousand average members :—

SICKNESS AND DEATH, 1907.*

State.	Number of Members who received Sick Pay.	Total Number of weeks Sick Pay granted.	Average Num- of weeks per Member sick.	Deaths of Benefit Members and Wives.	Proportion of Deaths to 1000 average Benefit Members.
New South Wales	22,504	123,971	5.51	733	7.32
Victoria...	24,456	190,702	7.80	1,499	12.49
Queensland...	6,202	32,552	5.25	219	6.65
South Australia...	8,851	84,707	9.57	698	13.63
Western Australia	1,880	10,079	5.36	102	6.77
Tasmania...	3,176	17,600	5.54	120	7.73
Commonwealth	67,069	459,611	6.85	3,371	10.02

* See, however, paragraph 1.

4. **Revenue and Expenditure.**—The financial returns are not made up in the same way in each State, but an attempt has been made in the subjoined table to group the revenue under the main headings :—

REVENUE, 1907.*

State.	Entrance Fees.	Members' Contributions.	Levies.	Interest, Dividends, and Rents..	All other Income.	Total Revenue.
	£	£	£	£	£	£
New South Wales	2,303	333,601	—	42,706	55,390	434,000
Victoria...	†	353,242	†	68,499	30,582	452,323
Queensland...	†	110,030	†	§	13,534	123,564
South Australia...	1,535	122,643	§	29,464	59,227	212,869
Western Australia	1,544	37,743	548	5,245	20,734	65,814
Tasmania...	†	52,035	†	4,993	7,591	64,619
Commonwealth	†	1,015,224	†	§	337,965	1,353,189

* See, however, paragraph 1. † Included under "Members' contributions." § Included under "All other income."

The returns relating to expenditure are more complete than those relating to revenue, and can be shewn in full for every State. The figures shew that the excess of revenue, amounting in the aggregate of £284,231, was divided amongst the six States as follows :—New South Wales, £112,519; Victoria, £84,840; Queensland, £33,935; South Australia, £33,101; Western Australia, £10,271; and Tasmania, £9,565. The revenue exceeded the expenditure by about seventeen shillings per average benefit member, a margin which cannot be called very large :—

EXPENDITURE, 1907.*

State.	Sick Pay.	Medical Attendance and Medicine.	Sums Paid at Death of Members & Members' Wives.	Administration.	All other Expenditure.	Total Expenditure.
	£	£	£	£	£	£
New South Wales	96,240	110,895	24,338	44,378	45,630	321,481
Victoria ...	128,868	126,445	26,562	60,860	24,748	367,483
Queensland ...	24,729	38,774	8,520	17,606	†	89,629
South Australia ...	49,370	27,130	24,325	23,545	55,398	179,768
Western Australia	8,521	13,354	1,921	10,876	20,871	55,543
Tasmania ...	14,491	14,727	5,943	7,017	12,876	55,054
Commonwealth	322,219	331,325	91,609	164,282	159,523	1,068,958

* See, however, paragraph 1. † Included in "Administration."

It appears from the above figures that sick pay averaged about fourteen shillings per week, but, as the returns include pay at half and quarter rates, and as the proportion of these to full rates is not stated, the average given must be taken for what it is worth. Medical attendance and medicine came to nineteen shillings and eightpence per average benefit member, or to nearly £5 per member who received sick pay during the year. Funeral expenses averaged £27 3s. 6d. per death of a member or wife of a member during the year, but this average also must be taken for what it is worth, as the funeral expenses allowed in the case of the death of a member are generally much higher than those allowed in the case of the death of a member's wife.

5. **Funds.**—The two foregoing tables shew that the surplus of revenue over expenditure amounted to £284,231 for the year, and a small surplus must, of course, result annually in every society which levies adequate contributions to enable it to meet all possible claims. These accumulations of profits are generally invested, and the subjoined table shews for five out of the six States the division into invested and uninvested funds, and in the case of Tasmania the total amount of funds:—

FUNDS, 31st DECEMBER, 1907.*

State.	Invested Funds.	Uninvested Funds.	Total Funds.
	£	£	£
New South Wales ...	1,104,685	66,658	1,171,343
Victoria ...	1,715,366	77,820	1,793,186
Queensland ...	369,807	22,516	392,323
South Australia ...	714,719	29,076	743,795
Western Australia ...	103,018	21,050	124,068
Tasmania...	†	†	143,577
Commonwealth ...	‡4,007,595	‡217,120	4,368,292

* See, however, paragraph 1. † Returns not available. ‡ Exclusive of Tasmania.

The total funds amounted, therefore, to nearly £12 3s. 6d. per member at the close of the year under review.

§ 8. Probates.

1. Number of Probates and Letters of Administration and Value of Estates.—

The value of the estates left by deceased persons gives a fair view of the distribution of property among the general population. There occurred in 1907 the deaths of 30,554 adult persons, while the total number of probates and letters of administration granted during the same period was 10,222. It would therefore appear that about one in every three adults who died during the year was possessed of sufficient property to necessitate the taking out of probate. The details for each State are shewn in the table hereunder:—

PROBATES AND LETTERS OF ADMINISTRATION, 1907.

State.	Number of Estates.			Value of Estates.		
	Probates.	Letters of Administration.	Total.	Probate.	Letters of Administration.	Total.
				£	£	£
New South Wales	2,045	1,039	3,084	6,835,381	728,118	7,563,499
Victoria	2,859	1,297	4,156	6,351,166	508,977	6,860,143
Queensland	650	510	1,160	1,529,112	141,072	1,670,184
South Australia	769	206	975	1,764,995	158,959	1,923,954
Western Australia	229	204	433	1,051,437	102,689	1,154,126
Tasmania	322	92	414	754,637	86,590	841,227
Commonwealth	6,874	3,348	10,222	18,286,728	1,726,405	20,013,133

This would make the average value of each estate £1958, and the average value of property left by each adult who died in 1907, £655.

2. **Private Wealth.**—The probate figures have sometimes been used as a means for estimating the private wealth of a country. There are, however, many reasons why no reliance can be placed on such estimates. Generally, estates under a certain minimum value do not require to pass through the probate office. Settlements and deeds of gift, although liable to probate duty, occasionally evade detection. The falling in of several, or even of one very large estate, may vitiate the figures not only of one year but of a series of years. All these errors can, however, be more or less guarded against, while the assumption that each adult living is possessed of the same average amount of property as each adult who died during the year or during a series of years, an assumption on which the whole calculation is based, remains. But as it is certain that the accumulated wealth of an individual generally advances with age, and is probably in most cases greater at death than at any previous period, it will be seen that the results obtained by such a calculation must be unduly inflated. If the calculation were made for the Commonwealth and based on the figures of 1907 it would shew the average property of each adult to be £655, and of the 2,224,000 adults, which were approximately included in the population of the Commonwealth at the end of 1907, about £1,457,000,000, an estimate probably considerably in excess of the truth.